



RESPONSIBLE BUSINESS THROUGH COMMUNITY INVOLVEMENT: ANALYZING THE COMMUNITY INITIATIVES OF ELECTRONIC GIANTS IBM AND SONY

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ABSTRACT

Corporate Social Responsibility has been the mainstay of the business-community matrix since a couple of decades. Most business houses, have dabbled in the realm of community service, be it in the field of education or controlling the risk of environmental degradation. This article focuses on the community initiatives of the world's leading electronic giants-IBM and Sony. Community participation and activities to foster business to people interaction by the two business houses have been analysed in detail. The impact of their CSR initiatives in bridging the gap between their business interests and social impact has been analysed in depth.

KEYWORDS: CSR, corporate, business, firms, initiative, community.

Introduction

Corporate Social Responsibility has become a dominant concept in business reporting. Every company, across the globe, has a policy concerning CSR, and each of them produces a CSR report, detailing the socially responsible activities conducted by them throughout the year. Over the years, scholars have provided varied definitions of CSR. At the macro level, CSR entails a symbiotic relationship between global corporations, governments, the community¹, and individual citizens. At the micro level, it signifies the relationship between a corporation and the local society in which the corporation operates. Broadly speaking, CSR refers to the strategies adopted by business houses or firms to make their business ethical, society friendly and beneficial to the community. The post Second World War era, there emerged a need to relook at the possibilities of business, and determine the future course of the economic system which was stand as the mainstay of world economy.

In an article published in the Harvard Business Review in 1949, Bernard Dempsey spoke about the 'roots of business responsibility.' He provided a philosophical argument for employing the ethics of responsibility² in business. Donald K. David also provided a moral justification for engaging in ethical business, beyond the parameters of economic function of a company. Dempsey and David argued that no business can flourish in isolation.

A social structure or community provides the right environment for any business to take shape. Moreover, they argued that businesses controlled substantial resources and, therefore, had the capacity to contribute to the society and the well-being of individuals in the society. David elucidated a three-pronged approach—first, to make business effective; second, to make the business organization itself a good and just society; third, to operate in a way in which the business respects and contributes towards the development of the community.³ Both Dempsey and David agreed that businesses must contribute to the creation of a just society, beyond the immediate boundaries of business and economic gains.

Morrell Heald, in his work published in 1970, emphasized the need for business leaders to go beyond the realm of philanthropy and engage in substantive cooperation. He also focused on how business leaders can take the lead as far as community initiatives are concerned, in order to give back to the community in a more substantial manner.⁴ Archie Caroll provided the most comprehensive definition of CSR, and included the works of all the scholars who had written about the theme from 1950 onwards till the 1990s. According to Caroll, CSR was all-encompassing concept which included the economic, legal, ethical, and discretionary roles of businesses.⁵ William Frederick, writing in 1986, demarcated two separate branches of CSR—CSR 1 and CSR 2. The former was to entail responsibility, while the latter was used as a term by him to denote responsiveness. He articulated for the inclusion of business ethics as part of every company's CSR strategy. According to him, business ethics and CSR were inseparable. The EU Commission in a report published in 2002 defined CSR as "concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."⁶

The growth and development of businesses facilitated the need to promote ethical business and sustainable practices. With a view to enhance community participation, business corporations in the 21st century have included CSR as a major component within their business strategy. Every corporation, big or small, has a CSR unit which looks into the ethical dimension of business. There have been raging debates in the past about CSR in theory and CSR in practice, and thought nothing can be said with much certainty about how big business firm operate their CSR model, it can be assumed that some amount of resources are allocated for

community development initiatives. Some business houses also run specific programmes on health, education, environmental awareness, etc.

This article will focus on the community development initiatives taken by two of the biggest electronics giants in the world—IBM and Sony. Both these firms have specific programmes on education, health, disaster relief, and environmental protection. For the purpose of this study, the focus will be on community development programmes vis-à-vis educational initiatives, problem solving in communities, engagement of employees in community development initiatives, and involvement of the company in disaster relief. An analysis of the CSR activities of both IBM and Sony will be carried out in this paper. IBM, a multinational computer, technology and IT consulting corporation, headquartered in New York, is the world's largest technology company. Sony Corporation is a multinational conglomerate corporation. It is headquartered in Tokyo, Japan. It is one of the leading manufacturers of electronics, video games, communications, and information technology products.

Educational initiatives and their impact

Education is the mainstay of social development. It is the pillar on which the future of the community, society and the world as a whole rests. Hence, most of the business houses allocate a large share of their CSR budgets on educational initiatives. As a part of its CSR policy IBM has attempted to address issues of childhood and adult literacy, early childhood exposure to the basic concepts of math and science, and the shortage of qualified math and science teachers. IBM has played a leading role in promoting technical education. In the year 2008, the company signed agreements with the governments of Egypt, Malaysia, the Philippines, and Vietnam for promoting management and technical education. This agreement led to the formation of a new technical course called Service Science Management Engineering (SSME), which then became a part of the national curricula of all the signatory countries. This programme was introduced in order to equip students for professional job prospects in the field engineering, management, consulting, science, entrepreneurship, and high-skill knowledge work.

IBM has been using technology in order to promote education, especially technical education, worldwide. It had launched a web-based literacy programme called the Reading Companion Grant Programme. Through this programme, IBM also sought to promote its Reading Companion Voice Recognition Software in around 22 countries around the world. In 2014, IBM introduced a breakthrough cognitive computing technology to assist teaching professionals. This innovation aimed at helping teachers improve their teaching through the use of a cognitive computer mentor.⁷ The most significant educational initiative of IBM is a programme called IBM P-TECH which was launched in 2011 with a view to transform the structure of schooling by connecting secondary education with college education and career prospects. IBM has set up P-TECH model schools across the United States. These schools are run on the basis of public-private partnerships among a public school, a community college and a corporate partner. The P-TECH programme provides an integrated approach to learning that embeds workplace skills into a strong academic curriculum.⁸

Educational initiatives have been a part of the CSR programme of the Sony Corporation. It started a fund called the Sony Fund for the Promotion of Science Education in the year 1959. This fund was utilized to launch the Sony Science Programme which is an employee engagement programme to facilitate science and technology education in schools. As part of this programme, Sony employees visit schools and hold classes for students to explain the mechanism behind products and the task of developing them.⁹ This programme was started with an aim of inculcating a spirit of learning among the school students of Japan about

the manufacturing technology of the country's vast manufacturing sector. In 2006, Sony Computer Entertainment started holding classes for school students with an aim to impart knowledge about the contents of video games.

Employee engagement in community activities

CSR initiatives are sponsored and launched by business firms but it is employee engagement which is the main pillar of a company's CSR programme. Both IBM and Sony Corporation have varied CSR programmes in which employees volunteer their services to engage in community work. In 2003, IBM launched a programme called On Demand Community with a view to encourage IBM employees to participate in community service. As part of this programme, IBM aimed at providing support to employees and retirees of the company who contributed their time and effort to community service. Statistics given on the company's website claim that since the inception of the programme, nearly 270,000 employees have registered with On Demand Community, and have logged nearly 18 million volunteer hours.¹⁰

In order to encourage its employees to participate in community service, IBM instituted the Volunteer Excellence Awards. The company also supports and encourages its employees to contribute to charitable and non-profit entities in their communities. In the United States and Canada, IBM runs a campaign called the Employee Charitable Contribution Campaign which provides an opportunity to the employees and retirees to contribute directly to more than 10,000 community organizations.

IBM launched the Corporate Service Corps (CSC) in 2008 in order to enhance its commitment towards citizen diplomacy. The CSC works with client, partners, communities, and governments in emerging economies to facilitate problem solving in an effective manner. It also provides the employees of IBM and its partners with unique leadership development opportunities. The CSC works on a tripartite principle—communities have their problems solved, employees receive leadership training and development, and IBM develops new markets and global leaders. The CSC has worked in the area of protecting women's health. An example of this comes from Ghana where IBM is working in partnership with the Ghana Health Service and the Yale School of Medicine to help reduce Ghana's mother-to-child HIV transmission rate. The aim is to seek a reduction in the rate of transmission to less than 1 per cent by 2020.

A similar employee volunteer programme is part of the CSR framework of the Sony Corporation in Japan. Sony has a global in-house volunteer programme known as 'Someone Needs You.' This programme was launched with an aim to encourage employee involvement in efforts to help communities.¹¹ As part of this programme, volunteer initiatives are tailored to meet local needs, and employees are encouraged to participate in community activities. Statistics given on the company's CSR profile claim that a total of 80,000 employees of the Sony Group participated in volunteer initiatives in the year 2014.¹² In order to facilitate more employee participation in community activities, Sony Corporation has an employee volunteer support system in place. Employees are allowed to use accumulated holidays for community initiatives which require extended leave from the workplace. There is also a charitable donation system in place for encouraging employees to donate money for emergency relief and other causes.

Disaster relief initiatives

Disaster relief is one of the key components of the CSR plan of big business houses. Both IBM and Sony have woven disaster relief as part of their CSR programme, and have helped in disaster management efforts in various parts of the world. From helping in tackling the Ebola epidemic in Africa to lending a helping hand in the earthquake relief operations in Nepal, IBM has contributed significantly to disaster relief. In order to increase awareness about the Ebola virus and its spread in sub-Saharan Africa, the IBM Research Lab at Nairobi developed an SMS/toll-free communication channel to collect and share information. The company is also striving hard to create an Ebola Open Data Repository using the IBM SoftLayer cloud technology which will host Ebola-relevant data with an aim to provide relevant data to governments, aid agencies, researchers, and others.

IBM has also helped in dealing with natural disasters across the world. In November 2013 when Typhoon Haiyan hit the Philippines, it caused immense destruction. IBM helped in relief operations by working with the Philippine Department of Science and Technology to launch an integrated disaster management solution. IBM also contributed significantly to the disaster relief efforts in Nepal which was hit by a devastating earthquake in April 2015. The IBM India team joined Indian government officials in Nepal to help in disaster relief. The team worked with officials to determine the avenues of technology implementation.

The Sony Corporation has contributed to disaster relief efforts by making donations. A few examples include the donations made by the company to support the relief work in earthquake hit Nepal in 2015, the Yunan earthquake in 2014, flood relief in India in 2013, refugee assistance in draught hit Somalia in 2012, and many more disaster relief operations.

Conclusion

Corporate firms have a comprehensive CSR plan in place. An analysis of the

CSR initiatives of the big electronics giants IBM and Sony reveal that CSR is an integral component of business. Firms invest in various areas of community development, and as is seen in the case of IBM and Sony, education and disaster relief are two main areas. Employee engagement in CSR is also factored in the work allocation of IBM and Sony and special incentives are given to employees who volunteer their time for CSR activities.

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